




## Department of Energy

Washington, DC 20585

JAN 13 2011

### MEMORANDUM FOR DISTRIBUTION

FROM: THOMAS JOHNSON, JR.   
ACTING DIRECTOR  
RECOVERY ACT PROGRAM FOR  
ENVIRONMENTAL MANAGEMENT

SUBJECT: Recovery Act Program Office Project Closeout

A planned, structured, and organized project closeout is essential to the success of the American Recovery and Reinvestment Act (ARRA) Program. The purpose of the ARRA closeout package is to ensure that actual performance and work scope completed under ARRA is documented and auditable. The attached templates will be used to verify completion of Key Performance Parameters, and to ensure the ARRA and base program Project Baseline Summaries (PBS) in the Integrated Planning, Accountability and Budgeting System (IPABS) have been updated to reflect the actual completed work (i.e., cost, schedule and performance measures). This IPABS updating is especially important with ARRA due to the unique nature of the funding, recognizing that the exact amount of buyback scope completed will not be known until all available ARRA funds are expended. Therefore all ARRA projects must submit closeout and reconciliation information to the EM Recovery Act Program Office in accordance with this memo as follows:

1. All ARRA Operations Activities and Capital Asset Projects (unless exempted as described in item 2 below), shall submit an ARRA closeout package (Attachment 1) and the IPABS reconciliation package (Attachment 2) to Headquarters no later than 45 days after the completion date of physical work. By signing the ARRA closeout package the Federal Project Director is certifying and documenting physical completion of the ARRA project. This also documents the completion date for purposes of ARRA performance against the Project Operating Plan (POP). Note that in some cases a POP may consist of multiple Operations Activities and/or Capital Asset Projects. This guidance applies to the individual Operations Activity or Capital Asset Project.
2. ARRA Capital Asset Projects required to submit a CD-4 package in accordance with EM-2 memorandum, *Schedule for Capital Asset Project Completions for Fiscal Year 2011*, dated December 28, 2010, shall submit that package to EM-10 with a copy to EM-3.1 in lieu of the ARRA closeout package (Attachment 1). If a CD-4 package is not required by the referenced EM-2 memo because the Acquisition Executive (AE) authority resides at the site level, then an ARRA closeout package will be submitted to EM-3.1 with a copy to EM-10 in accordance with this memo and shall also include the site approved CD-4 package.



3. An Independent Closeout Review (ICR) and a Readiness Review Assessment (RRA) as described in Section 6.6.5 of the *EM Recovery Act Portfolio Management Framework*, will be performed by the EM Recovery Act Program Office. In most cases the ICR will be performed at Headquarters without a field visit and the RRA will be fulfilled by review of this closeout package.

The requirements of this memo and the referenced EM-2 memo for capital asset projects are intended to be consistent and complimentary, ensuring that the unique requirements for capital asset projects and the unique features of ARRA projects are addressed in the most direct and complete manner. Sites may also make use of *DOE-EM Capital Projects and Operations Activities Completion Plan, Rev 0*, November 2010, for further non-mandatory guidance regarding project closeout. The document is available on the EM Portal. If you have any further questions, please call me at (202) 586-8367 or Frazer Lockhart at (202) 731-5659.

Attachments

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## Attachment 1

### ARRA Closeout Package

*Project Title:*

*Project Type:*

Capital Asset Project – or – Operations Activity

*PBS Number:*

*Site Location:*

*Physical Completion Date:*

#### **A. Purpose**

Define the purpose of the project.

#### **B. EM ARRA Mission Need**

Define the mission of the project as it related to the objectives described in the EM ARRA Program, and described in the original project/operations Project Operating Plan (POP).

#### **C. Cost Performance at Completion**

##### **Sample Table**

| <b>Original TPC (\$M)</b> | <b>Baseline changes (\$M)</b> | <b>Revised TPC (\$M)</b> | <b>Cost at Completion (\$M)</b> | <b>Discussion</b> |
|---------------------------|-------------------------------|--------------------------|---------------------------------|-------------------|
|                           |                               |                          |                                 |                   |
|                           |                               |                          |                                 |                   |

#### **D. Key Performance Parameters and Project Completion Criteria as defined in the Project Execution Plan**

##### **Sample Table**

| <b>Original KPPs</b> | <b>Met</b> | <b>Discussion (include physical completion date)</b> |
|----------------------|------------|--|
|                      |            |  |
|                      |            |  |

#### **E. Transition Status/Requirements**

Discuss remaining activities necessary for project closeout or transition to operations/surveillance and maintenance. Also, indicate when the applicable Program Secretarial Office (e.g. Office of Science) transition plans were completed and their execution status.

#### **F. References**

Include any supporting references such as site approved CD-4 package, environmental Records of Decision, regulator approval documents, or relevant permits if applicable.

**ARRA CLOSEOUT APROVALS:**

|   |       |
|---|-------|
| ARRA Executive Director, if applicable (for non-EM sites) | Date: |
| Federal Project Director                                  | Date: |
| Environmental Project Office Manager, (for non-EM sites)  | Date: |
| Site Manager (Assistant Manager, if applicable)           | Date: |

## **Attachment 1 (Example)**

### **ARRA Closeout Package**

*Project Title:* Demolition of Tritium System and Test Assembly Facility  
*Project Type:* Capital Asset Project  
*PBS Number:* VL-LANL-0040-N.R1.1  
*Site Location:* Los Alamos National Laboratory  
*Physical Completion Date:* September 30, 2010

#### **A. Purpose**

Delta Prime (DP) Site Tritium Systems Test and Assembly (TSTA) facility was used for polonium, actinide and tritium research and production, and for the civilian fusion reactor program. The facility has approximately 18,000 square feet of space. Recovery Act funding will be used for deactivation and decommissioning (D&D) to below grade of the main TSTA building, and 4 ancillary structures, removal/disposal of several hundred feet of process contaminated waste lines and any soil contamination, sub-grade soil remediation and site restoration.

#### **B. EM ARRA Mission Need**

These facilities contain hazardous (such as lead painted surfaces and asbestos material), and known radiological material and or contamination. Accelerating the removal of the facilities/slabs and soils, and proper disposal of resulting demolition debris/material/waste reduces risk of releases of potential contamination into the environment. Once TSTA building and the 4 ancillary structures are completely demolished, and material dispositioned, there will be no further risk of any release of contamination. The result is an overall reduction of risk to workers, the public and environment following completion of this work. The removal of these buildings will also produce a reduction in Surveillance and Maintenance costs of \$125,000 per year.

#### **C. Cost Performance at Completion**

| <b>Original TPC (\$M)</b> | <b>Baseline changes (\$M)</b> | <b>Revised TPC (\$M)</b> | <b>Cost at Completion (\$M)</b> | <b>Discussion</b>  |
|---------------------------|-------------------------------|--------------------------|---------------------------------|--|
| 14.775                    | 0                             | 14.775                   | 13.667                          | All planned work scope was completed for \$13.667M. The \$1.108M in savings was applied to buyback project VL-LANL-0040-N.R1.2 |

**D. Key Performance Parameters and Project Completion Criteria as defined in the Project Execution Plan**

| Original KPPs  | Met | Discussion (include physical completion date)  |
|--|-----|--|
| Remove TSTA (TA-21-155) and ancillary structures (TA-21-213, TA-21-220, TA-21-388, and TA-21-420)    | Yes | On August 26, 2010 the milestones supporting demolition of the TSTA facility, as identified in the POP, were verified as being completed. The final disposition of waste was verified as being completed on September 14, 2010. See <i>LANL CD-4 Demolition of Tritium System Test Assembly Facility, September 2010, pages 6-7</i> , for detailed discussion. |
| Remove and properly dispose of all slab and sub-slab structures                                      | Yes | Same as above.   |
| Remediate sub-structure soils based on clean-up criteria negotiated with NMED and local stakeholders | Yes | Same as above.   |

**E. Transition Status/Requirements**

The remaining footprint (area beyond where the former TSTA facility occupied), is within the TA-21 site and is part of the Delta Prime (DP) Aggregate Site Work Plan. The scope of the DP Aggregate Site Work Plan is not part of ARRA work scope and falls within the scope of the base EM program under Soil and Groundwater Remediation and includes the completion of investigations and correctives measures evaluation and implementation at all SWMUs and AOCs in accordance with the March 2005 Compliance Order on Consent (Consent Order) with the New Mexico Environment Department (NMED). Upon completion of the DP Aggregate Site Work Plan, the area may be considered for transfer as described in the *Final Site-Wide EIS for Continued Operation of Los Alamos National Laboratory, Los Alamos, New Mexico, May 2008*. Long Term Surveillance and Maintenance needs for the greater TA-21 area DP will be determined as cleanup progresses in closing the EM sites within TA-21.

**F. References**

- a) *LANL CD-4 Demolition of Tritium System Test Assembly Facility, September 2010, page ii*



**ARRA CLOSEOUT APPROVALS:**

|   |       |
|---|-------|
| Bruce Schappell, ARRA Executive Director,<br>Los Alamos National Security, LLC  | Date: |
| Everett A. Trollinger, Federal Project<br>Director, Los Alamos Site Office      | Date: |
| George J. Rael, Environmental Project Office<br>Manager, Los Alamos Site Office | Date: |
| Kevin Smith,<br>Manager, Los Alamos Site Office                                 | Date: |



## Attachment 2

### **IPABS Reconciliation**

*Project Title:*

*Project Type:*

Capital Asset Project – or – Operations Activity

*PBS Number:*

*Site Location:*

*Physical Completion Date:*

### **IPABS Reconciliation Table**

#### **A. Life-Cycle Cost**

| Name and Change Request ID # of Cost Change Request to Establish Actual Cost Values                         |
|---|
|   |
| Name and Change Request ID # of Cost Change Request to Transfer Uncompleted ARRA Scope back to Base Program |
|   |

#### **B. Milestones**

| Name and Code of Uncompleted ARRA Milestone | Name and Code of Newly Created Base Milestone |
|---|---|
|   |   |
|   |   |
|   |   |

#### **C. Performance Measures**

| Performance Measure Name | ARRA Total Actual/ Target Delta | Impacted Base Project/ Activity | Performance Measure Change Request # |
|--------------------------|---------------------------------|---------------------------------|--------------------------------------|
|                          |                                 |                                 |                                      |
|                          |                                 |                                 |                                      |
|                          |                                 |                                 |                                      |

### **Detailed Instructions on Project Closeout Updates to the Integrated Planning, Accountability, and Budgeting System (IPABS)**

IPABS is the EM system of record for tracking most project performance data, including lifecycle cost, earned value, milestones, and performance metrics. At the beginning of the Recovery Act, these data elements were all transferred from their original base projects to the new ARRA projects. With the completion of ARRA, it is necessary to “true up” IPABS to reflect the work actually completed

under ARRA, including all buyback projects. If ARRA project completed more work than was planned, then the excess must be subtracted from the appropriate base project to avoid double-counting. If ARRA project completed less work than was planned, then the deficit must be added back into the appropriate base project. For each data element, the required actions are listed below.

## **A. Lifecycle Cost**

### **1. When a change is required:**

- a. All ARRA projects and activities must create a change request in the IPABS Cost Module to document their actual project cost (as opposed to the planned cost profile, which is already in the system).
- b. If the ARRA project completed more work scope than originally planned, the value of the additional work must be subtracted from the appropriate base PBS via a change request.
- c. If the ARRA project completed less work scope than originally planned, the value of the uncompleted work must be added to the appropriate base PBS via a change request.

### **2. How to make the change in IPABS:**

- a. To establish project actual costs, create a change request in the IPABS Cost Module and edit the “proposed actual” value for each year to match the annual actual cost for the project/activity.

*Note:* It is essential that the project/activity-level actual costs established via change request be reconciled with the official DOE actual cost as documented in STARS. The STARS costs are stored at the B&R code level, which is usually higher than the project/activity level. However, sites should ensure that for any given year, the sum of the actual costs for each project/activity equals the B&R level actual cost in STARS. For example, if the STARS cost for an ARRA B&R in fiscal year 2009 is 500,000, and the B&R has two projects below it, the sum of the FY 2009 actual values in the two change requests should equal 500,000.

- b. If additional scope was completed, create a change request in IPABS for the appropriate base project/activity to subtract the cost of that scope from the base PBS. Note that the planned costs in the base project may be different than the cost to complete that work under ARRA due to escalation or other factors.

- b. To transfer uncompleted work scope back to the base program, create a change request in IPABS for the appropriate base project/activity to add the cost of that scope to the base PBS. Note that the planned costs in the base project may be different than the cost to complete that work under the Recovery Act due to escalation or other factors.

3. **How to document the change:** Record the change request number(s) in Section A. of the IPABS Reconciliation Table. Also, attach a copy of the change request(s) to this document.

## **B. Milestones**

1. **When a change is required:** If an ARRA project or activity completed additional milestones or failed to complete all scheduled IPABS milestones.
2. **How to make the change in IPABS:** If additional milestones were completed, the base PBS version of the milestone should be set to "Cancelled" status in the IPABS milestones module. Then, a new version of the milestone should be created under the appropriate ARRA project/activity PBS, to reflect the fact that the milestone was completed under the ARRA program. If the ARRA project failed to complete all scheduled milestones then the version of the milestone for the ARRA PBS should be set to "Cancelled" status in the IPABS milestones module. Then, a new version of the milestone should be created under the appropriate base project/activity PBS to reflect the fact that the milestone will need to be completed under the base program at a later date.
3. **How to document the change:** Record the milestone ID numbers of the modified milestones in Section B. of the IPABS Reconciliation Table.

## **C. Performance Measures**

1. **When a change is required:** For each performance measure, ARRA projects/activities have approved "total target" values, which describe the total number of performance measure units (e.g. cubic meters of Low Level Waste Dispositioned) to be completed under the project/activity. If the project's actual performance measure completion is greater than or less than this value, an update to the base program data is required. If the actuals are exactly equal to the total target, then no change is required.
2. **How to make the change:** If the ARRA project/activity completed more than the total target value, then subtract the extra completions from the appropriate base project/activity via a change request in the IPABS



Performance Measures module. If the ARRA project/activity completed less than the total target, then add the deficit to the appropriate base project/activity via a change request in the IPABS Performance Measures module.

- 3. How to document the change:** Record the performance measure change request ID number(s) in Section C. of the IPABS Reconciliation Table. Also, attach a copy of the change request to this document.